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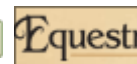
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House bill lowers cap on farmer subsidies

Groups seek more conservation funds

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The Courier-Journal

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Advocacy groups seeking more money for programs like conservation efforts and specialty crops pushed for bigger policy changes in the bill.

"It's definitely a balancing act right now to try to get enough votes," said Will Snell, a University of Kentucky agricultural economist who attended some of the debates in Washington last week.

The committee's chairman, Rep. Collin Peterson, D-Minn., was quoted by The

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Associated Press last week as saying that the changes are "a sound compromise that no one is satisfied with, but nonetheless represents real reform."

But Hank Graddy, of the Sierra Club in Kentucky, said, "I am very disappointed that the bill that came out of committee is much weaker in the area of conservation than it should be."

Commodity programs continued to benefit over conservation programs, Graddy said, and the changes cited as reform mean the bill "has an aspect of smoke and mirrors."

For the Kentucky Farm Bureau, major changes aren't needed, said Eddie Melton, chairman of the organization's farm bill committee, which gathered input from farmers about what they wanted in the new bill.

"The (existing) framework has worked for agriculture, and we think it's fair and equitable," Melton said.

The House could take up the bill this week, and those debates about priorities likely will be renewed. The Senate has not yet acted on a farm bill; the current one expires at the end of September.

"All bets are off when this thing hits the House floor," Snell said. "It could be a very fierce debate on the House floor given, you know, some of the alternative proposals out there, and some of the concerns that there haven't been enough reforms built into this farm bill yet."

The payment limits were one of those reforms being sought. The Environmental Working Group, which has published a database of Agriculture Department payments, found that 66 percent of crop subsidies go to 10 percent of the recipients. The group also found that the top 1 percent of recipients received 17 percent of the subsidies between 2003 and 2005.

The proposed limits approved by the committee should not impact many Kentucky farmers, Snell said.

When the Agriculture Department proposed earlier that the cap be \$200,000 in income, he said only a few thousand Kentucky farms would have been affected.

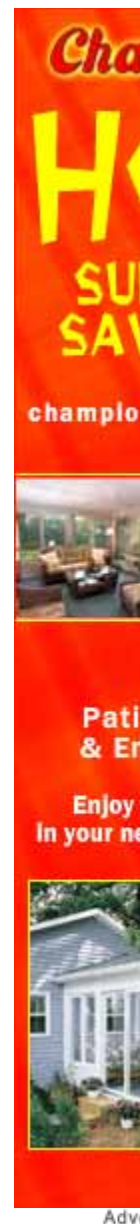
"Obviously you go up to a million dollars, that number would be exceptionally small," Snell said.

There were no major surprises in what he saw last week, Snell said. Last year, UK agricultural economists had predicted that there wouldn't be much change in policy because of several factors including next year's presidential election.

"Farm bills tend to be more evolutionary than revolutionary," Snell said.

Nevertheless, the legislation is important to Kentucky's \$4 billion farm economy, which has a wider variety of crops and livestock than many states.

One proposal under consideration was the elimination of price supports in favor



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of farmer savings accounts.

Although grain prices are relatively high right now, Western Kentucky farmers want to keep the supports in case prices drop, Snell said.

"We all know what follows high prices are lower prices," he said.

While supporting a continuation of the overall framework, Melton said some of the bill's details could be tweaked. That includes allocating more money for energy efforts that could benefit the renewable fuels industry, which many believe could be a boon for Kentucky.

"The problem right now is given the budget constraints ... can they find additional money to support these energy initiatives within the ag budget?" Snell said.

Reporter Gregory A. Hall can be reached at (502) 582-4087.

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